

FISCAL BIENNIUM 2004-2006 COMMONWEALTH BUDGET

FINAL BUDGET MEMORANDUM

JUDICIAL BRANCH

June 2, 2004

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X - Judicial Branch

Operating Budget

Summary Totals

	Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	210,855,100	210,855,100		233,354,000	218,255,600	(15,098,400)	266,155,500	227,210,500	(38,945,000)
Restricted Funds	12,884,100	12,884,100		13,296,300	13,296,300		14,175,800	14,175,800	
Federal Funds	4,376,800	4,376,800		3,096,500	3,096,500		1,604,200	1,604,200	
Regular Total Funds	228,116,000	228,116,000		249,746,800	234,648,400	(15,098,400)	281,935,500	242,990,500	(38,945,000)
Continuing	9,234,600	9,234,600							
TOTAL FUNDS	237,350,600	237,350,600		249,746,800	234,648,400	(15,098,400)	281,935,500	242,990,500	(38,945,000)

II. EXPENDITURE CATEGORY

Personnel Costs	147,507,700	147,507,700		154,688,400	152,476,700	(2,211,700)	163,600,800	160,224,900	(3,375,900)
Operating Expenses	88,454,700	88,454,700		92,950,100	81,292,400	(11,657,700)	115,546,800	81,886,300	(33,660,500)
Capital Outlay	1,388,200	1,388,200		2,108,300	879,300	(1,229,000)	2,787,900	879,300	(1,908,600)
TOTAL EXPENDITURES	237,350,600	237,350,600		249,746,800	234,648,400	(15,098,400)	281,935,500	242,990,500	(38,945,000)

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	210,855,100	210,855,100		215,486,900	215,486,900		221,598,300	221,598,300	
Restricted Funds	12,884,100	12,884,100		13,296,300	13,296,300		14,175,800	14,175,800	
Federal Funds	4,376,800	4,376,800		3,096,500	3,096,500		1,604,200	1,604,200	
Regular Total Funds	228,116,000	228,116,000		231,879,700	231,879,700		237,378,300	237,378,300	
Continuing	9,234,600	9,234,600							
TOTAL BASE LEVEL	237,350,600	237,350,600		231,879,700	231,879,700		237,378,300	237,378,300	

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				17,867,100	2,768,700	(15,098,400)	44,557,200	5,612,200	(38,945,000)
TOTAL ADDITIONAL				17,867,100	2,768,700	(15,098,400)	44,557,200	5,612,200	(38,945,000)

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X - Judicial Branch

Operating Budget

Court of Justice Summary

	Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	208,335,700	208,335,700		231,054,200	215,955,800	(15,098,400)	263,852,200	224,907,200	(38,945,000)
Restricted Funds	12,884,100	12,884,100		13,296,300	13,296,300		14,175,800	14,175,800	
Federal Funds	4,376,800	4,376,800		3,096,500	3,096,500		1,604,200	1,604,200	
Regular Total Funds	225,596,600	225,596,600		247,447,000	232,348,600	(15,098,400)	279,632,200	240,687,200	(38,945,000)
Continuing	9,234,600	9,234,600							
TOTAL FUNDS	234,831,200	234,831,200		247,447,000	232,348,600	(15,098,400)	279,632,200	240,687,200	(38,945,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	147,122,200	147,122,200		154,301,100	152,089,400	(2,211,700)	163,210,000	159,834,100	(3,375,900)
Operating Expenses	86,320,800	86,320,800		91,037,600	79,379,900	(11,657,700)	113,634,300	79,973,800	(33,660,500)
Capital Outlay	1,388,200	1,388,200		2,108,300	879,300	(1,229,000)	2,787,900	879,300	(1,908,600)
TOTAL EXPENDITURES	234,831,200	234,831,200		247,447,000	232,348,600	(15,098,400)	279,632,200	240,687,200	(38,945,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	208,335,700	208,335,700		213,187,100	213,187,100		219,295,000	219,295,000	
Restricted Funds	12,884,100	12,884,100		13,296,300	13,296,300		14,175,800	14,175,800	
Federal Funds	4,376,800	4,376,800		3,096,500	3,096,500		1,604,200	1,604,200	
Regular Total Funds	225,596,600	225,596,600		229,579,900	229,579,900		235,075,000	235,075,000	
Continuing	9,234,600	9,234,600							
TOTAL BASE LEVEL	234,831,200	234,831,200		229,579,900	229,579,900		235,075,000	235,075,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				17,867,100	2,768,700	(15,098,400)	44,557,200	5,612,200	(38,945,000)
TOTAL ADDITIONAL				17,867,100	2,768,700	(15,098,400)	44,557,200	5,612,200	(38,945,000)

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X - Judicial Branch**Operating Budget****Court Operations & Administration**

	Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	150,490,400	150,490,400		162,637,500	156,513,000	(6,124,500)	172,632,100	164,912,600	(7,719,500)
Restricted Funds	12,884,100	12,884,100		13,296,300	13,296,300		14,175,800	14,175,800	
Federal Funds	4,376,800	4,376,800		3,096,500	3,096,500		1,604,200	1,604,200	
Regular Total Funds	167,751,300	167,751,300		179,030,300	172,905,800	(6,124,500)	188,412,100	180,692,600	(7,719,500)
Continuing									
TOTAL FUNDS	167,751,300	167,751,300		179,030,300	172,905,800	(6,124,500)	188,412,100	180,692,600	(7,719,500)
II. EXPENDITURE CATEGORY									
Personnel Costs	145,710,100	145,710,100		152,777,100	150,659,600	(2,117,500)	161,646,000	158,372,300	(3,273,700)
Operating Expenses	21,471,300	21,471,300		25,683,300	21,676,300	(4,007,000)	26,196,200	21,750,400	(4,445,800)
Capital Outlay	569,900	569,900		569,900	569,900		569,900	569,900	
TOTAL EXPENDITURES	167,751,300	167,751,300		179,030,300	172,905,800	(6,124,500)	188,412,100	180,692,600	(7,719,500)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	150,490,400	150,490,400		153,744,300	153,744,300		159,300,400	159,300,400	
Restricted Funds	12,884,100	12,884,100		13,296,300	13,296,300		14,175,800	14,175,800	
Federal Funds	4,376,800	4,376,800		3,096,500	3,096,500		1,604,200	1,604,200	
Regular Total Funds	167,751,300	167,751,300		170,137,100	170,137,100		175,080,400	175,080,400	
Continuing									
TOTAL BASE LEVEL	167,751,300	167,751,300		170,137,100	170,137,100		175,080,400	175,080,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				8,893,200	2,768,700	(6,124,500)	13,331,700	5,612,200	(7,719,500)
TOTAL ADDITIONAL				8,893,200	2,768,700	(6,124,500)	13,331,700	5,612,200	(7,719,500)
V. ADDITIONAL BUDGET ITEMS									
1 FFR Circuit Court - Drug Court - Federal Funds Replacement									
ABR025A0005	Provide funds to support 17 Drug Courts in FY 2005 and 20 Drug Courts in FY 2006, whose Federal grants are due to expire.								
General Fund				2,198,000	2,198,000		4,015,700	4,015,700	
Project Total				2,198,000	2,198,000		4,015,700	4,015,700	
2 RFR Circuit Court - Drug Court - Restricted Funds Replacement									
ABR025A0006	Provide funds to support Kenton and Whitley Juvenile Drug Courts, previously funded through private grants which will expire this biennium.								
General Fund				88,700	88,700		109,600	109,600	
Project Total				88,700	88,700		109,600	109,600	

X - Judicial Branch**Operating Budget****Court Operations & Administration**

		Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
3	NEW	Cost-of-Living Adjustment - Employee Health Insurance								
ABR025A0011		Provide General Fund support for a cost-of-living adjustment for non-elected personnel and Circuit Clerks to help offset the rising cost of employees health insurance premiums.								
General Fund						482,000	482,000		1,486,900	1,486,900
Project Total						482,000	482,000		1,486,900	1,486,900
4	EXPAN	Circuit Court - Drug Court - Expand Drug Court Sites								
ABR025A0007		Provide funds to expand drug court sites by 11 new regional drug courts consisting of 61 counties.								
General Fund					4,224,200		(4,224,200)	4,154,900		(4,154,900)
Project Total					4,224,200		(4,224,200)	4,154,900		(4,154,900)
5	NEW	Circuit Court - Family Court - Additional Judgeships								
ABR025A0008		Provide funds to support personnel and operating for 4 new family court judgeships in FY 2004 (10th, 20th, 27th, and 53rd Circuits) and 4 new family court judgeships in FY 2006 (13th, 38th, 42nd, and 55th Circuits).								
General Fund					2,098,600		(2,098,600)	4,430,500		(4,430,500)
Project Total					2,098,600		(2,098,600)	4,430,500		(4,430,500)
6	NEW	Circuit Clerks - Additional Deputies								
ABR025A0009		Provide funds to support 5 add'l deputy clerk positions in FY 2005 and 10 add'l deputy clerk positions in FY 2006 to alleviate staffing problems in counties with the most critical need.								
General Fund					161,800		(161,800)	485,400		(485,400)
Project Total					161,800		(161,800)	485,400		(485,400)
7	EXPAN	District Court - Secretarial Support								
ABR025A0010		Provide funds to support personnel and related operating expenses to increase 9 part-time secretarial positions to permanent full-time.								
General Fund					121,900		(121,900)	135,600		(135,600)
Project Total					121,900		(121,900)	135,600		(135,600)
TOTAL ADDITIONAL					8,893,200	2,768,700	(6,124,500)	13,331,700	5,612,200	(7,719,500)

**Fiscal Biennium 2004-2006
Budget Modification Report**

05/27/04 11:16 AM

Court Operations and Administration

BRANCH BUDGET

The Branch Budget continues existing services and statutory programs. The Judicial Branch Budget Recommendation provides a one and one-half percent (1.5%) increment in fiscal year 2004-2005 and a three percent (3%) increment in fiscal year 2005-2006 for elected and nonelected employees of the Judicial Branch. The Kentucky Employees Retirement rate is factored at five point eighty-nine percent (5.89%) each year of the biennium and health insurance increases are four point five percent (4.5%) in fiscal year 2004-2005 and six point five percent (6.5%) in fiscal year 2005-2006.

The Judicial Branch Budget Bill, Part I, Operating Budget, provides General Fund support totaling \$162,637,500 in fiscal year 2004-2005 and \$172,632,100 in fiscal year 2005-2006 for Court Operations and Administration, and language provisions that direct:

"There is appropriated out of the General Fund, Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1, 2004, and ending June 30, 2005, and for the fiscal year beginning July 1, 2005, and ending June 30, 2006, in the following sums to be used for the purposes of the judicial branch of the government of the Commonwealth of Kentucky, including the Supreme Court, Court of Appeals, Circuit Court, Family Court, District Court, the Administrative Office of the Courts, pretrial services, juvenile services, judicial boards and commissions, the State Law Library, judicial retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the circuit clerks' offices, including both Circuit and District Court support."

"Funds are included to provide a one and one-half percent salary adjustment in fiscal year 2004-2005 and a three percent salary adjustment in fiscal year 2005-2006 for nonelected court personnel. Included are funds to provide a one and one-half percent salary adjustment in fiscal year 2004-2005 and a three percent salary adjustment in fiscal year 2005-2006 for justices and judges. Also included are funds for the salaries of the circuit clerks in fiscal year 2004-2005 and in fiscal year 2005-2006 as provided for in the Judicial Branch Budget Recommendation."

"Included in the above General Fund appropriation is \$2,198,000 in fiscal year 2004-2005 and \$4,015,700 in fiscal year 2005-2006 to replace Federal Funds for existing drug court sites whose funding expires during the 2004-2006 fiscal biennium. Included in the above General Fund appropriation is \$88,700 in fiscal year 2004-2005 and \$109,600 in fiscal year 2005-2006 to replace Restricted Funds for Kenton Juvenile and Whitley Juvenile Drug Courts. The above General Fund appropriation also includes \$4,224,200 in fiscal year 2004-2005 and \$4,154,900 in fiscal year 2005-2006 to support funding for additional drug court sites throughout the Commonwealth."

"Included in the above General Fund appropriation is \$2,098,600 in fiscal year 2004-2005 and \$4,430,500 in fiscal year 2005-2006 to support eight additional family court judgeships."

"Included in the above General Fund appropriation is \$161,800 in fiscal year 2004-2005 and \$485,400 in fiscal year 2005-2006 for 15 additional deputy clerk positions."

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Court Operations and Administration

"Included in the above General Fund appropriation is \$121,900 in fiscal year 2004-2005 and \$135,600 in fiscal year 2005-2006 to move nine part-time secretaries in the District Court to full-time with benefits."

"Notwithstanding KRS 24A.100(3), funds are included in the above General Fund appropriation to continue the statutory maximum salary of trial commissioners as provided for in the Judicial Branch Budget Recommendation."

The Judicial Branch Budget Bill, Part III, General Provisions, contains language provisions that direct:

"The Director of the Administrative Office of the Courts, with the approval of the Chief Justice, may expend any of the funds appropriated for the court operation and administration in any lawful manner and for any legal purpose that the Chief Justice shall authorize or direct. No executive agency of state government shall have the power to restrict or limit the expenditure of funds appropriated to the judicial branch of government."

"The Court of Justice shall not incur any obligation for any program against the General Fund appropriations contained in this Act unless that program may be reasonably determined to have been contemplated by the proposed judicial budget, as modified and enacted, and supported by the statutory budget memorandum and other pertinent records."

"Appropriation items and sums in this Act conform to KRS 48.311. If any section, any subsection, or any provisions thereof shall be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions."

"Any appropriation item and sum in this Act and in an appropriation provision in another Act of the 2004 General Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312."

"KRS 48.313 shall control when a total or subtotal figure in this Act conflicts with the sum of the appropriations of which it consists."

"Notwithstanding KRS 45.229, any unexpended balance remaining in the Court's Restricted Funds accounts or Federal Funds accounts at the close of the fiscal years ending June 30, 2004, and June 30, 2005, shall not lapse and shall continue into the next fiscal year."

"The Chief Justice shall cause the Director of the Administrative Office of the Courts to prepare a final budget document reflecting the 2004-2006 biennial budget of the Court of Justice. A copy shall be provided to the Legislative Research Commission and an informational copy shall be furnished to the Finance and Administration Cabinet within 60 days of the adjournment of the 2004 Regular Session of the General Assembly."

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Court Operations and Administration

"The Chief Justice of the Commonwealth of Kentucky shall have the ability to transfer funds to other programs and budget units within the Judicial Branch. Any funds transferred to other budget units within the Judicial Branch may be used to support any activity, program, or operation of the budget unit or program receiving the respective funds."

"Funding for the Kentucky Legal Education Opportunities (KLEO) Program has been continued during fiscal year 2004-2005 and fiscal year 2005-2006."

The Judicial Branch Budget Bill, Part IV, Budget Reduction or Surplus Expenditure Plan, contains a language provision that directs:

"The Judicial Branch shall participate in any Budget Reduction Plan or Surplus Expenditure Plan in accordance with the provisions of KRS Chapter 48."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the changes noted in Part V, Additional Funding Items, in this report and as follows:

The General Assembly adds language in Part I, Operating Budget, as follows:

"Included in the above General Fund appropriation is \$225,000 in fiscal year 2004-2005 and \$225,000 in fiscal year 2005-2006 to support the Kentucky Legal Education Opportunities (KLEO) Program. Participants may be required to meet certain grade point average (GPA) conditions. Both phases of the Kentucky Legal Education Opportunities (KLEO) Program shall be operational for fiscal years 2004-2005 and 2005-2006."

"Included in the above Restricted Funds appropriation is \$7,339,300 in fiscal year 2004-2005 and \$7,732,100 in fiscal year 2005-2006 to support deputy clerk positions, salary enhancements, and related initiatives in the circuit clerk's offices. These amounts include one and one-half percent salary increment in fiscal year 2004-2005 and a three percent salary increment in fiscal year 2005-2006, and the employer's cost for benefits, including health insurance based on the September 1, 2003, Restricted Funds personnel level. ~~{The Chief Justice of the Supreme Court shall ensure these funds are not utilized for any other purpose within the Judicial Branch budget or for any unfunded purposes not specified in this Act.}~~"

"Included in the above General Fund appropriation is \$482,000 in fiscal year 2004-2005 and \$1,486,900 in fiscal year 2005-2006 to provide an Employee Health Insurance cost-of-living adjustment (COLA) for non-elected personnel and Circuit Clerks, which shall be added to the employee's base salary and employee's wages to help offset the rising cost of employee's health insurance premiums. ~~{The~~

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Court Operations and Administration

~~Chief Justice of the Supreme Court shall ensure these funds are not utilized for any other purpose within the Judicial Branch budget or for any unfunded purposes not specified in this Act.}]"~~

The General Assembly adds Part III, General Provisions language that directs the following:

~~"[The Chief Justice shall not reallocate or reduce the salary, annual increment, or related benefits, including cost of living adjustments provided by the 2004 General Assembly to help offset the employee's share of health insurance premiums, for any Judicial Branch employee from that appropriated by the 2004 General Assembly for fiscal biennium 2004-2006 for any purposes not specified in this Act.}]"~~

~~"[It is the intent of the General Assembly that the Court of Justice shall not eliminate or reduce the number of Administrative Office of the Courts, Circuit Clerks', District Court, or Circuit Court employees below the level employed on January 1, 2004. Furthermore, Restricted Funds support provided for deputy clerks' salary enhancements and initiatives shall not be reallocated within the Judicial Branch budget for any unfunded purposes not specified in this Act.}]"~~

"Proposed revisions to Restricted Funds and Federal Funds appropriations in this Act shall be made and reported pursuant to KRS 48.630(10). The Director of the Administrative Office of the Courts shall notify on a timely basis the Legislative Research Commission of the most current estimates of anticipated receipts for the affected fiscal year and an accompanying statement which explains such variations from the anticipated amount."

"By September 30 of each year, the Judicial Branch shall submit a report to the Interim Joint Committee on Appropriations and Revenue which details the amount of arrest fees assessed and remitted to each local law enforcement agency for the preceding fiscal year. This report shall be submitted in electronic format."

"By September 30 of each year, the Judicial Branch shall submit a report detailing the amount and nature of uncollected court fees for the preceding fiscal year. This report shall be submitted in electronic format."

LRC Note: This record has been amended to reflect the following Veto Message from the Governor of the Commonwealth as sustained by the General Assembly:

I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority vested in me under Section 88 of the Kentucky Constitution, do hereby veto the following parts of House Bill 396, which, by its title and in its substance, is an appropriation bill subject to the line item veto provisions afforded the Governor under Section 88:

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Court Operations and Administration

Page 2, line 25, beginning with "The," through line 27

Page 3, line 5, beginning with "The," through line 7

Page 6, line 25, through page 7, line 8, in their entirety

I veto these parts because I believe that the Chief Justice of the Supreme Court, in his capacity as the executive head of the Court of Justice, should have discretion to reallocate funds appropriated to the judicial branch as necessity may dictate.

Done this 23rd day of April, 2004

/s/ Ernie Fletcher, Governor

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Operating Budget

Local Facilities Fund

	Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	57,845,300	57,845,300		68,416,700	59,442,800	(8,973,900)	91,220,100	59,994,600	(31,225,500)
Regular Total Funds	57,845,300	57,845,300		68,416,700	59,442,800	(8,973,900)	91,220,100	59,994,600	(31,225,500)
Continuing	8,701,600	8,701,600							
TOTAL FUNDS	66,546,900	66,546,900		68,416,700	59,442,800	(8,973,900)	91,220,100	59,994,600	(31,225,500)
II. EXPENDITURE CATEGORY									
Personnel Costs	1,412,100	1,412,100		1,524,000	1,429,800	(94,200)	1,564,000	1,461,800	(102,200)
Operating Expenses	64,316,500	64,316,500		65,354,300	57,703,600	(7,650,700)	87,438,100	58,223,400	(29,214,700)
Capital Outlay	818,300	818,300		1,538,400	309,400	(1,229,000)	2,218,000	309,400	(1,908,600)
TOTAL EXPENDITURES	66,546,900	66,546,900		68,416,700	59,442,800	(8,973,900)	91,220,100	59,994,600	(31,225,500)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	57,845,300	57,845,300		59,442,800	59,442,800		59,994,600	59,994,600	
Regular Total Funds	57,845,300	57,845,300		59,442,800	59,442,800		59,994,600	59,994,600	
Continuing	8,701,600	8,701,600							
TOTAL BASE LEVEL	66,546,900	66,546,900		59,442,800	59,442,800		59,994,600	59,994,600	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				8,973,900		(8,973,900)	31,225,500		(31,225,500)
TOTAL ADDITIONAL				8,973,900		(8,973,900)	31,225,500		(31,225,500)
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Court of Justice - Local Facilities Fund - Use Allowance for new Courthouse Projects								
ABR025B0002	Provide funds to support use allowance payments, utilities, and furniture, fixtures, and equipment for 22 new courthouse projects.								
General Fund				8,845,300		(8,845,300)	31,098,500		(31,098,500)
Project Total				8,845,300		(8,845,300)	31,098,500		(31,098,500)
2 NEW	Court of Justice - Local Facilities Fund - Add'l Positions								
ABR025B0003	Provide funds to support 2 new positions for the Local Facilities Division due to increased workload.								
General Fund				128,600		(128,600)	127,000		(127,000)
Project Total				128,600		(128,600)	127,000		(127,000)
TOTAL ADDITIONAL				8,973,900		(8,973,900)	31,225,500		(31,225,500)

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Local Facilities Fund

BRANCH BUDGET

The Judicial Branch Budget continues existing services and statutory programs in fiscal biennium 2004-2006 based upon extending the reduced fiscal year 2003-2004 funding level, as revised by General Fund Budget Reduction in the amount of \$1,931,800 in the fiscal biennium 2004-2006 directed by the Chief Justice as provided in the fiscal biennium 2002-2004 Judicial Budget Act.

The Judicial Branch Budget Recommendation provides a one point five percent (1.5%) increment in fiscal year 2004-2005 and a three percent (3%) increment in fiscal year 2005-2006 for elected and nonelected employees of the Judicial Branch. The Kentucky Employees Retirement rate is factored at five point eighty-nine percent (5.89%) each year of the biennium and health insurance increases are four point five percent (4.5%) in fiscal year 2004-2005 and six point five percent (6.5%) in fiscal year 2005-2006.

The Judicial Branch Budget Bill, Part I, Operating Budget provides General Fund support totaling \$68,416,700 in fiscal year 2004-2005 and \$91,220,100 in fiscal year 2005-2006 for the Local Facilities, and language provisions that direct:

"Included in the above appropriation are moneys to compensate local units of government for providing court space and for costs incurred in the development of local court facilities as defined in KRS Chapter 26A and provided in Part II of this Act, and to perform all other acts required or authorized by KRS Chapter 26A."

"Included in the above appropriation is \$8,845,300 in fiscal year 2004-2005 and \$31,098,500 in fiscal year 2005-2006 to support operating, use allowance, and furniture and equipment costs for each local facility project contained in Part II of this Act. Included in the above appropriation is \$128,600 in fiscal year 2004-2005 and \$127,000 in fiscal year 2005-2006 for an additional Architect and an additional Facilities Officer."

"Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2003-2004 shall not lapse and shall continue into fiscal year 2004-2005, and any unexpended balance remaining at the close of fiscal year 2004-2005 shall not lapse and shall be continued into fiscal year 2005-2006."

"The use allowance for the Fayette County Courthouse is contingent upon Short Street in Lexington, Kentucky, remaining open to vehicular traffic."

Included in the General Fund support for the Local Facilities Fund is \$8,845,300 in fiscal year 2004-2005 and \$31,098,500 in fiscal year 2005-2006 for twenty (20) court facility projects listed in priority order in the chart below. Funding levels for use allowance payments are based on occupancy date and include the amount required for the operating and use allowance payments as well as non-recurring expenditures for furniture and equipment. Use allowance is based on a county debt service interest rate of 6.25% and a county bond term of 20 years.

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Local Facilities Fund

County	Completion Date	Number of Months	Project Scope	Gross Courts Square Feet	Fiscal Year Use Allowance	Fiscal Year Operating Allowance	Total Fiscal Year Cost	Less Payment on Existing Facilities	Fiscal Year Net Increase	Non-Recurring Furniture and Equipment	Total Fiscal Year Increase
<u>Fiscal Year 2005</u>											
Adair	April-05	3	9,771,000	30,169	218,750	44,000	262,750	(9,600)	253,200	540,000	793,200
Green	April-05	3	9,352,000	28,907	209,250	42,250	251,500	(6,000)	245,500	508,000	753,500
Pool Projects											
Robertson	April-05	3	2,229,000	7,441	49,750	11,000	60,750	0	60,800	162,000	222,800
Gallatin	April-05	3	2,229,000	7,500	49,750	11,000	60,750	0	60,800	262,000	322,800
Pendleton	April-05	3	2,228,000	7,545	49,750	11,000	60,750	(1,625)	59,100	253,000	312,100
Washington	April-05	3	10,608,000	33,011	237,500	48,250	285,750	(8,000)	277,800	596,000	873,800
Livingston	April-05	3	5,557,000	17,047	124,250	25,000	149,250	(13,250)	136,000	305,000	441,000
Jackson	April-05	3	10,601,000	33,011	237,250	48,250	285,500	(20,200)	265,300	596,000	861,300
Grayson	April-05	3	11,076,000	33,589	247,750	49,000	296,750	(16,750)	280,000	615,000	895,000
Hart	April-05	3	10,871,000	33,011	243,250	48,250	291,500	(20,850)	270,700	612,000	882,700
Trigg	April-05	3	9,757,000	29,439	218,250	43,000	261,250	(14,975)	246,300	527,000	773,300
Rowan	April-05	3	11,234,000	34,121	251,250	50,000	301,250	(20,000)	281,300	617,000	898,300
Wolfe	April-05	3	<u>10,182,000</u>	<u>30,701</u>	<u>227,750</u>	<u>45,000</u>	<u>272,750</u>	<u>(9,250)</u>	<u>263,500</u>	<u>552,000</u>	<u>815,500</u>
Fiscal Year 2005 Total			105,695,000	325,492	2,364,500	476,000	2,840,500	(140,500)	2,700,300	6,145,000	8,845,300
<u>Fiscal Year 2006</u>											
Adair	April-05	12	9,771,000	30,169	875,000	176,000	1,051,000	(38,400)	1,012,600	0	1,012,600
Taylor	July-05	12	14,664,000	46,352	1,312,000	271,000	1,583,000	(66,100)	1,516,900	753,000	2,269,900
Laurel	January-06	6	23,337,000	84,402	1,044,500	253,000	1,297,500	(126,000)	1,171,500	1,447,000	2,618,500
Shelby	January-06	6	17,846,000	54,590	798,500	159,500	958,000	(44,450)	913,600	931,000	1,844,600
Pulaski	January-06	6	22,043,000	75,171	986,500	225,500	1,212,000	(91,300)	1,120,700	1,308,000	2,428,700
Green	April-05	12	9,352,000	28,907	837,000	169,000	1,006,000	(24,000)	982,000	0	982,000
Pool Projects											
Robertson	April-05	12	2,229,000	7,441	199,000	44,000	243,000	0	243,000	0	243,000
Gallatin	April-05	12	2,229,000	7,500	199,000	44,000	243,000	0	243,000	0	243,000
Pendleton	April-05	12	2,228,000	7,545	199,000	44,000	243,000	(6,500)	236,500	0	236,500
Washington	April-05	12	10,608,000	33,011	950,000	193,000	1,143,000	(32,000)	1,111,000	0	1,111,000
Livingston	April-05	12	5,557,000	17,047	497,000	100,000	597,000	(53,000)	544,000	0	544,000
Grant	July-05	12	14,233,000	42,163	1,274,000	247,000	1,521,000	(55,000)	1,466,000	667,000	2,133,000
Jackson	April-05	12	10,601,000	33,011	949,000	193,000	1,142,000	(80,800)	1,061,200	0	1,061,200
Boyd	January-06	6	19,148,000	57,786	857,000	173,500	1,030,500	(99,500)	931,000	997,000	1,928,000
Grayson	April-05	12	11,076,000	33,589	991,000	196,000	1,187,000	(67,000)	1,120,000	0	1,120,000
Logan	July-05	12	14,535,000	42,163	1,301,000	253,000	1,554,000	(123,400)	1,430,600	687,000	2,117,600
Hopkins	January-06	6	19,457,000	60,902	870,500	182,500	1,053,000	(59,450)	993,600	1,055,000	2,048,600
Hart	April-05	12	10,871,000	33,011	973,000	193,000	1,166,000	(83,400)	1,082,600	0	1,082,600
Trigg	April-05	12	9,757,000	29,439	873,000	172,000	1,045,000	(59,900)	985,100	0	985,100
Rowan	April-05	12	11,234,000	34,121	1,005,000	200,000	1,205,000	(80,000)	1,125,000	0	1,125,000
Pike	January-06	6	25,956,000	91,985	1,161,500	276,000	1,437,500	(225,917)	1,211,600	1,698,000	2,909,600
Wolfe	April-05	12	<u>10,182,000</u>	<u>30,701</u>	<u>911,000</u>	<u>180,000</u>	<u>1,091,000</u>	<u>(37,000)</u>	<u>1,054,000</u>	<u>0</u>	<u>1,054,000</u>
Fiscal Year 2006 Total			276,914,000	881,006	19,063,500	3,945,000	23,008,500	(1,453,117)	21,555,500	9,543,000	31,098,500

**Fiscal Biennium 2004-2006
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Local Facilities Fund

The Judicial Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions that direct:

"For any court facility project which is occupied and use allowance funding is insufficient, the use allowance payments shall be approved from the Local Facilities Use Allowance Contingency Fund. If funds are not available in the Local Facilities Use Allowance Contingency Fund, the use allowance payments shall be deemed a necessary governmental expense (General Fund Surplus Account, KRS 48.700)."

"Nothing in this Act shall reduce the funding of court facility projects authorized by the General Assembly."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget with the following changes:

The General Assembly lapses \$2,500,000 in fiscal year 2003-2004 from the continued General Fund appropriation carry forward to the credit of the General Fund Surplus account (KRS 48.700).

Additional General Fund support is not provided for use allowance and related operating for additional courthouse projects or for additional Local Facilities personnel.

Capital Budget

Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

Project Total

Capital Budget

Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7	Grayson County - Project Scope \$11,076,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0012 Other Funds								
Project Total								
8	Hart County - Project Scope \$10,871,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0016 Other Funds								
Project Total								
9	Trigg County - Project Scope \$9,757,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0008 Other Funds								
Project Total								
10	Rowan County - Project Scope \$11,234,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0009 Other Funds								
Project Total								
11	Wolfe County - Project Scope \$10,182,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0010 Other Funds								
Project Total								
12	Taylor County - Project Scope \$14,664,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0007 Other Funds								
Project Total								

Capital Budget

Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
13	Laurel County - Project Scope \$23,337,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0003 Other Funds								
Project Total								
14	Shelby County - Project Scope \$17,846,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0006 Other Funds								
Project Total								
15	Pulaski County - Project Scope \$22,043,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0014 Other Funds								
Project Total								
16	Grant County - Project Scope \$14,233,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0002 Other Funds								
Project Total								
17	Logan County - Project Scope \$14,535,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0005 Other Funds								
Project Total								
18	Boyd County - Project Scope \$19,148,000 (Recommendation) (General Assembly: Does not concur)							
PRJ025B0020 Other Funds								
Project Total								

Capital Budget

TOTAL CAPITAL

X - Judicial Branch**Operating Budget****Use Allowance Contingency Fund**

Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. APPROPRIATIONS SUMMARY BY FUND SOURCE

General Fund

Regular Total Funds

Continuing	533,000	533,000
TOTAL FUNDS	533,000	533,000

II. EXPENDITURE CATEGORY

Operating Expenses	533,000	533,000
TOTAL EXPENDITURES	533,000	533,000

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund

Regular Total Funds

Continuing	533,000	533,000
TOTAL BASE LEVEL	533,000	533,000

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Local Facilities Use Allowance Contingency Fund

BRANCH BUDGET

The Judicial Branch Budget continues existing services and statutory programs. The Judicial Branch Budget Recommendation authorizes a continuing General Fund appropriation totaling \$533,000 in fiscal year 2003-2004 and authorizes zero appropriations in fiscal year 2004-2005 and fiscal year 2005-2006 for the Local Facilities Use Allowance Contingency Fund, and a language provision that directs:

"Notwithstanding KRS 45.229, any unexpended balance remaining at the close of fiscal year 2003-2004 shall not lapse and shall continue into fiscal year 2004-2005, and any unexpended balance remaining at the close of fiscal year 2004-2005 shall not lapse and shall be continued into fiscal year 2005-2006 to provide for cost overruns in authorized court facilities projects not to exceed 15 percent of the use allowance in accordance with KRS Chapter 26A."

The Judicial Branch Budget Bill, Part II, Capital Projects Budget, includes language provisions that direct:

"For any court facility project which is occupied and use allowance funding is insufficient, the use allowance payments shall be approved from the Local Facilities Use Allowance Contingency Fund. If funds are not available in the Local Facilities Use Allowance Contingency Fund, the use allowance payments shall be deemed a necessary governmental expense (General Fund Surplus Account, KRS 48.700)."

"Nothing in this Act shall reduce the funding of court facility projects authorized by the General Assembly."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget.

X - Judicial Branch**Operating Budget****Judicial Form Retirement System**

	Fiscal Year 2003-2004			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,519,400	2,519,400		2,299,800	2,299,800		2,303,300	2,303,300	
Regular Total Funds	2,519,400	2,519,400		2,299,800	2,299,800		2,303,300	2,303,300	
Continuing									
TOTAL FUNDS	2,519,400	2,519,400		2,299,800	2,299,800		2,303,300	2,303,300	
II. EXPENDITURE CATEGORY									
Personnel Costs	385,500	385,500		387,300	387,300		390,800	390,800	
Operating Expenses	2,133,900	2,133,900		1,912,500	1,912,500		1,912,500	1,912,500	
TOTAL EXPENDITURES	2,519,400	2,519,400		2,299,800	2,299,800		2,303,300	2,303,300	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,519,400	2,519,400		2,299,800	2,299,800		2,303,300	2,303,300	
Regular Total Funds	2,519,400	2,519,400		2,299,800	2,299,800		2,303,300	2,303,300	
Continuing									
TOTAL BASE LEVEL	2,519,400	2,519,400		2,299,800	2,299,800		2,303,300	2,303,300	

**Fiscal Biennium 2004-2006
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Judicial Form Retirement System

BRANCH BUDGET

The Judicial Branch Budget Recommendation continues existing services and statutory programs. The Judicial Branch Budget Recommendation provides a one point five percent (1.5%) increment in fiscal year 2004-2005 and a three percent (3%) increment in fiscal year 2005-2006 for elected and nonelected employees of the Judicial Branch. The Kentucky Employees Retirement rate is factored at five point eighty-nine percent (5.89%) each year of the biennium and health insurance increases are four point five percent (4.5%) in fiscal year 2004-2005 and six point five percent (6.5%) in fiscal year 2005-2006.

The Judicial Retirement Plan funds and pays retirement benefits pursuant to KRS 21.345 to 21.570 at a rate prescribed in KRS 21.525. The Plan covers the judges of all courts of Kentucky and provides retirement benefits for retired judges and surviving spouses. The Plan is maintained on an actuarial basis through members' contributions, investment proceeds, and state appropriations. Funds are provided to continue the current service levels in each year of the biennium.

The Judicial Branch Budget Bill, Part I, Operating Budget contains a language provision that directs:

"General Fund amounts are included to provide for the 2003 actuarial assessed needs of the Judicial Form Retirement System."

GENERAL ASSEMBLY

The General Assembly concurs with the Branch Budget.